

§ 149.1

- 149.320 Universe of claims that must be submitted.
- 149.325 Requirements for eligibility of claims.
- 149.330 Content of claims.
- 149.335 Documentation of costs of actual claims involved.
- 149.340 Rule for insured plans.
- 149.345 Use of information provided.
- 149.350 Maintenance of records.

Subpart F—Appeals

- 149.500 Appeals.
- 149.510 Content of request for appeal.
- 149.520 Review of appeals.

Subpart G—Disclosure of Inaccurate Data

- 149.600 Sponsor's duty to report data inaccuracies.
- 149.610 Secretary's authority to reopen and revise reimbursement determination amounts.

Subpart H—Change of Ownership Requirements

- 149.700 Change of ownership requirements.

AUTHORITY: Section 1102 of the Patient Protection and Affordable Care Act (Pub. L. 111-148).

SOURCE: 75 FR 24466, May 5, 2010, unless otherwise noted.

Subpart A—General Provisions

§ 149.1 Purpose and basis.

This part implements the Early Retiree Reinsurance Program, as required by section 1102 of the Patient Protection and Affordable Care Act (Pub. L. 111-148).

§ 149.2 Definitions.

For purposes of this part, the following definitions apply:

Authorized representative means an individual with legal authority to sign and bind a sponsor to the terms of a contract or agreement.

Benefit option means a particular benefit design, category of benefits, or cost-sharing arrangement offered within an employment-based plan.

Certified means that the sponsor and its employment-based plan or plans meet the requirements of this part and the sponsor's application to participate in the program has been approved by the Secretary.

45 CFR Subtitle A (10-1-11 Edition)

Chronic and high-cost condition means a condition for which \$15,000 or more in health benefit claims are likely to be incurred during a plan year by one plan participant.

Claim or medical claim means documentation, in a form and manner to be specified by the Secretary, indicating the health benefit provided, the provider or supplier, the incurred date, the individual for whom the health benefit was provided, the date and amount of payment net any known negotiated price concessions, and the employment-based plan and benefit option under which the health benefit was provided. The terms *claim* or *medical claim* include medical, surgical, hospital, prescription drug and other such claims as determined by the Secretary.

Early retiree means a plan participant who is age 55 and older who is enrolled for health benefits in a certified employment-based plan, who is not eligible for coverage under title XVIII of the Act, and who is not an active employee of an employer maintaining, or currently contributing to, the employment-based plan or of any employer that has made substantial contributions to fund such plan. In this part, the term *early retiree* also includes the enrolled spouse, surviving spouse, and dependents of such individuals. The determination of whether an individual is not an active employee is made by the sponsor in accordance with the rules of its plan. For purposes of this subpart, however, an individual is presumed to be an active employee if, under the Medicare Secondary Payer rules in 42 CFR 411.104 and related guidance published by the Centers for Medicare & Medicaid Services, the person is considered to be receiving coverage by reason of current employment status. This presumption applies whether or not the Medicare Secondary Payer rules actually apply to the sponsor. For this purpose, a sponsor may also treat a person receiving coverage under its employment-based plan as a dependent in accordance with the rules of its plan, regardless of whether that individual is considered a dependent for Federal or state tax purposes. For purposes of this definition of early retiree, an employer maintaining, or currently contributing to, the employment-based plan or any

employer that has made substantial contributions to fund such plan, means a plan sponsor (as defined in this section).

Employment-based plan means a group health plan as defined in this section of the regulation.

Good cause means:

(1) New and material evidence exists that was not readily available at the time the reimbursement determination was made;

(2) A clerical error in the computation of the reimbursement determination was made by the Secretary; or

(3) The evidence that was considered in making the reimbursement determination clearly shows on its face that an error was made.

Group health plan means group health plan as defined in 42 CFR 423.882 that provides health benefits to early retirees, but excludes Federal governmental plans.

Health benefits means medical, surgical, hospital, prescription drug, and other benefits that may be specified by the Secretary, whether self-funded or delivered through the purchase of health insurance or otherwise. Such benefits include benefits for the diagnosis, cure, mitigation, or prevention of physical or mental disease or condition with respect to any structure or function of the body. Health benefits do not include benefits specified at 45 CFR 146.145(c)(2) through (4).

Incurred means the point in time when the sponsor, health insurance issuer (as defined in 45 CFR 160.103), employment-based plan, plan participant, or a combination of these or similar stakeholders, become responsible for payment of the claim.

Negotiated price concession means any direct or indirect remuneration (including discounts, direct or indirect subsidies, charge backs or rebates, cash discounts, free goods contingent on a purchase agreement, up-front payments, coupons, goods in kind, free or reduced-price services, grants, or other price concessions or similar benefits) offered to some or all purchasers, which may include a sponsor, a health insurance issuer, or an employment-based plan) that would serve to decrease the costs incurred under the employment-based plan.

Plan participant means anyone enrolled in an applicable plan including an early retiree, as defined in this section, a retiree, a retiree's spouse and dependent, an active employee and an active employee's spouse and dependent.

Plan year means the year that is designated as the plan year in the plan document of an employment-based plan, except that if the plan document does not designate a plan year, if the plan year is not a 12-month plan year, or if there is no plan document, the plan year is:

(1) The deductible or limit year used under the plan;

(2) The policy year, if the plan does not impose deductibles or limits on a 12-month basis;

(3) The sponsor's taxable year, if the plan does not impose deductibles or limits on a 12-month basis, and either the plan is not insured or the insurance policy is not renewed on a 12-month basis, or;

(4) The calendar year, in any other case.

Post point-of-sale negotiated price concession means any negotiated price concession that an employment-based plan or insurer receives with respect to a given health benefit, after making payment for that health benefit.

Program means the Early Retiree Reinsurance Program established in section 1102 of the Patient Protection and Affordable Care Act.

Secretary means the Secretary of the United States Department of Health & Human Services or the Secretary's designee.

Sponsor means a plan sponsor as defined in section 3(16)(B) of the Employee Retirement Income Security Act of 1974 (ERISA), 29 U.S.C. 1002(16)(B), except that in the case of a plan maintained jointly by one employer and an employee organization and for which the employer is the primary source of financing, the term means the employer.

Sponsor agreement means an agreement between the sponsor and the United States Department of Health & Human Services, or its designee, which is made to comply with the provisions of this part.